Corporate Credit Rating

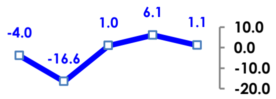
Operational Leasing

intercity OUTSOURCING SOLUTIONS			Long Term	Short Term
International	Foreign Currency		BBB-	A-3
International	Local Currency		BBB-	A-3
International	Outlook	FC	Stable	Stable
International	Outlook	LC	Stable	Stable
National	Local Rating		BBB+ (Trk)	A–2 (Trk)
National	Outlook		Stable	Stable
Sponsor Support			2	-
Stand Alone			B	-
Sovereign*	Foreign Currency		BBB-	-
Sovereign*	Local Currency		BBB-	-
Sovereign*	Outlook	FC	Stable	-
Sovereign*	Outlook	LC	Stable	-

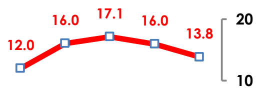
*Assigned by Japan Credit Rating Agency, JCR on May 23, 2013

Senior Analyst: Zeki M ÇOKTAN
+90 212 352 56 73 zekic@jcrer.com.tr

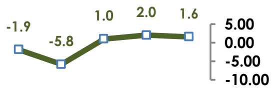
Net Profit Margin (%)



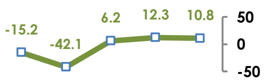
Equity / Total Assets (%)



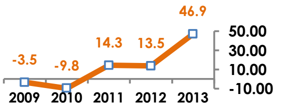
ROAA (%)



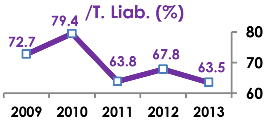
ROAE (%)



Asset Growth-YoY (%)



Net Working Cap. /T. Liab. (%)



INTERCITY					
Financial Data	2013*	2012*	2011*	2010*	2009*
Total Assets (000 USD)	664,164	541,887	449,115	482,822	553,140
Total Assets (000 TRY)	1,414,935	963,258	848,333	742,387	822,685
Equity (000 TRY)	195,919	153,699	145,420	119,106	98,605
Net Sales (000 TRY) **	333,360	220,184	229,147	216,520	250,566
Invent. Disp. Rev. (000 TRY)	277,147	229,009	227,521	206,021	n.a.
Net Profit (000 TRY)	3,646	13,422	2,242	-35,897	-9,929
Net Profit Margin (%) **	1.09	6.10	0.98	-16.58	-3.96
ROAA (%)	1.59	2.03	1.02	-5.85	-1.87
ROAE (%)	10.84	12.30	6.16	-42.05	-15.18
Equity/Assets (%)	13.85	15.96	17.14	16.04	11.99
Net Work.Cap./T.Liab. (%)	63.50	67.81	63.85	79.39	72.74
Asset Growth Rate (%)	46.89	13.55	14.27	-9.76	-3.49
Fleet Market Share (%)	14.57	13.37***	15.50	18.15	22.65

* End of year
** Including only rental revenues
*** Readjusted

Overview

Ekim Turizm Ticaret ve Sanayi A.Ş. (hereinafter referred to as Intercity, the Company), following its foundation in 1991 by Mr. Ali Vural AK, strengthened its shareholder structure in 2005 by the participation of the IFC (International Finance Corporation) and some other renowned multinational organizations and then, during late 2008, Mitsubishi Corporation (MC) and Mitsubishi UFJ Lease and Finance (*latest bond issue rated by JCR with AA- on June 6, 2014*), which are affiliates of Mitsubishi Group-Japan.

Intercity established strong market shares in terms of fleet size during the recent years through its first-mover position in the operational leasing sector.

The Company, with head offices in Istanbul Park and 6 other operation centers all over the country, specializes in providing long term operational lease services for fleet automotive vehicles under the brand name **Intercity**.

Maintenance and repair services for its fleet vehicles are performed through its self-owned service locations in Istanbul, Izmir and Ankara and also through an authorized service network in other locations across the country. Intercity had a staff force of 369 as of FYE2013.

Strengths

- Enhanced market influence through rising market share together with its first-mover and market leader position in the sector
- Strong liquidity profile outperforming sector averages
- Maintained net working capital level
- Significant improvement in fleet efficiency through increase in revenue earning vehicle ratios
- Well-reputed clientele supporting resiliency and predictability of the Company's revenues
- Shareholder structure inspiring confidence in investors and providing convenience of accession to funds
- Risk management process underpinned by observance of compelling financial covenants set by creditors and pressure of foreign exchange position and floating rate borrowings abated by effective utilization of derivative hedging instruments
- Enjoying advantages with regard to lower pledge and assignment ratios compared to the sector
- High growth potential of the underpenetrated operational leasing industry through both increasing awareness and demand and more lanes expected to be added in the periods to come
- Utilization of Istanbul Park as a commodious place for its headquarters decoupling the Company from the sector

Constraints

- Deterioration in profitability indicators mainly due to the use of Euro as functional currency and depreciation trend of TRY vs EUR during the previous four years
- Capitalization level maintaining its downward trend
- Fewer granularities on client basis marked by high concentration values
- Inadequacy of alternative funding channels and structures to satisfy particular needs of the companies operating in the sector
- Absence of sector-specific laws, regulations and supervisory public authorities
- Fierce competition leading to margin pressure in view of price sensitivity of some of the targeted segments
- Ongoing political headwinds, decrease in risk appetite of investors and downside risks to growth and pressure to be exerted on profit margins

Publication Date: June 26, 2014 *"Global Knowledge supported by Local Experience"*